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argument

1 UNITED STATES DISTRICT COURT  
2 SOUTHERN DISTRICT OF NEW YORK  
3 -----x

4 MICHAEL A. MEDINA,

5 Plaintiff,

6 v.

7 15 CIV. 2551 (KBF)

8 DASH FILMS, INC., DAMON DASH  
9 and KANYE WEST, et al.,

10 Defendants.  
11 -----x

12 New York, N.Y.  
13 December 3, 2015  
14 3:55 p.m.

15 Before:

16 HON. KATHERINE B. FORREST,

17 District Judge

18 APPEARANCES

19 BOSTANY LAW FIRM, PLLC  
20 Attorneys for Plaintiff  
21 BY: JOHN P. BOSTANY  
CHAREN KIM

22 TURTURRO LAW, P.C.  
23 Attorneys for Defendant Damon Dash, et al.  
24 BY: NATARAJ BHUSHAN

25 PRYOR CASHMAN, LLP  
Attorneys for Defendant West  
BY: TOM J. FERBER  
DYAN FINGUERRA-DuCHARME

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1 (Case called)

2 THE DEPUTY CLERK: Counsel, please state your names  
3 for the record.

4 MR. BOSTANY: Good afternoon, Judge Forrest. John  
5 Bostany for the plaintiff. I am here with my colleague Charen  
6 Kim.

7 MS. KIM: Good afternoon, your Honor.

8 THE COURT: Good afternoon both of.

9 MR. FERBER: Good afternoon, your Honor. Tom Ferber  
10 with my partner Dyan Finguerra-DuCharme, Pryor Cashman on  
11 behalf of Kanye West.

12 MR. BHUSHAN: On behalf of Damon Dash, Nataraj  
13 Bhushan. Good afternoon, your Honor.

14 THE COURT: All right, folks. We are here on the  
15 motion to dismiss and oral argument on that motion. I don't  
16 always ask for argument, in fact I would say that it is less  
17 than 50 percent of the time. I asked for argument here because  
18 I wanted to understand, in particular, what the best arguments  
19 were on both sides. I'm not sure that the papers, particularly  
20 I will say for the plaintiff, told me everything I need to  
21 know. So let me tell you, Mr. Bostany, in particular, what I  
22 need to understand, which is what are the facts that you have  
23 to support the allegations that you have made of actual  
24 confusion or that there is some form of potential confusion for  
25 plaintiffs? Because right now the allegations are what I would

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1 consider to be conclusory and that leads to two issues, one is  
2 a *Twombly* issue, as you know, and that's one of the things the  
3 defendants have argued for; and two, to get to *Twin Peaks* you  
4 have got to have the first point of: Is there something that's  
5 expressive in the title? Yes. Is it possibly misleading?  
6 Apart from the assertion that there is something misleading I  
7 just don't see it in the factual allegations of the complaint.  
8 So, at a basic level, I don't know it is there.

9 Now, you may have something and if you have got  
10 chapter and verse for that and four people lined up who are  
11 going to talk about how misleading it was, then that would be  
12 useful. So, I throw that out there.

13 Let me hear from the defendants first, it is their  
14 motion, and then we will have you respond and give you some  
15 time to put your thoughts together.

16 MR. BOSTANY: Yes.

17 THE COURT: Thank you. So, Mr. Ferber.

18 MR. FERBER: Thank you, your Honor.

19 THE COURT: You can turn that mic down I had a 6'8"  
20 person here earlier today.

21 MR. FERBER: I don't need a mic aimed a little bit  
22 higher.

23 Your Honor, in this case the plaintiff is effectively  
24 trying to limit the urban lexicon by attempting to arrogate the  
25 right to control what is a fairly widely used term in the urban

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1 vernacular, especially in the greater New York area, it's a  
2 term that it's not disputed that the plaintiff did not create,  
3 it's not disputed that it was officially recognized by the City  
4 of New York before the plaintiff chose to use it in relation to  
5 his Latino urban bachata musical duo.

6 THE COURT: Can I have you build in to this -- and it  
7 may be where you are going next -- I read *Twin Peaks* and  
8 *Grimaldi* and they're in a bit of tension. I think we can agree  
9 one sets one kind of question and the second note in *Twin Peaks*  
10 suggests that if you did a *Rogers* versus *Grimaldi* inquiry alone  
11 under certain circumstances it wouldn't be enough. So, let me  
12 ask you for the following -- let me ask you the following  
13 question based upon what you were just saying because I  
14 understand that *loisaida* is a word that certainly the Court had  
15 heard years and year and years and years ago.

16 There is one way in which that point goes to whether  
17 there is any cognizable trademark, not a question for today.  
18 Right? That's a different question which might be part of  
19 these proceedings overall but it is not a question on the  
20 motion to dismiss. I'm not going to decide whether or not  
21 there is trademark protection on the motion to dismiss. So,  
22 the question becomes whether or not the use of a term like  
23 "*loisaida*" can, if it has some sort of expressive purpose  
24 behind it, both nominally be the same as a trademarked word,  
25 here the Loisaidas group, but nonetheless not constitute any

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1 kind of infringing conduct because it is simply the utilization  
2 of an expressive term. That is the *Rogers v. Grimaldi* case.

3 So, my question to you is would you agree with me that  
4 if there was proof of some number of consumers who in fact were  
5 misled, or had circumstantial evidence that they were very  
6 likely to be misled, that we would go into a Twin Peaks  
7 analysis which would require the Polaroid factors.

8 Do you follow me?

9 MR. FERBER: I believe I do, your Honor.

10 With respect to whether there was proof that, you  
11 know, how do we address that? Well, first, we know that. We  
12 know we are already up to the third iteration of the complaint,  
13 that that iteration of the complaint was filed many months  
14 after the film first came out. The film was old news by the  
15 time that second amended complaint was filed and, as you just  
16 pointed out, what I think was going to be one of the key points  
17 of my argument, the allegations of actual confusion and of  
18 likelihood of confusion in the second amended complaint are  
19 completely conclusory and threadbare. It is as if they were  
20 checking off the list, what the Supreme Court called the -- I  
21 think it may have been in *Iqbal*, just the standard  
22 defendant-harming-in-an-unlawful-way allegation. There is  
23 nothing to them. And the Court had ordered, when it allowed  
24 the second amended complaint to be filed, there be no more  
25 amendments. So, I don't know what they do now given that but

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1 that's for your Honor to decide, not for me to debate further.

2           Second, with respect to that issue, there are a number  
3 of cases in our brief -- there may have been I'm not sure if it  
4 was *Amman* or *Volvo* that said a few isolated instances of  
5 confusion are not the kind of confusion we are talking about.

6 Okay?

7           Third, we will come to the fair use point but if you  
8 don't mind can I defer that --

9           THE COURT: Yes.

10          MR. FERBER: -- because I think that's going to be  
11 pertinent because I want to say something about the plaintiff's  
12 reliance on *Twin Peaks*.

13          First, let's not forget that *Twin Peaks* is a 1993 case  
14 which long preceded the Supreme Court's raising the bar for a  
15 legally sufficient please pleading in *Iqbal*.

16          Second, in the portion of the *Twin Peaks* decision that  
17 said, well, we've got this problem here so I think we probably,  
18 on the second prong of *Rogers*, have to go to a Polaroid test,  
19 it focused first, it identified what I kind of regard as  
20 aggravating factors in that case and it described the  
21 aggravating factors in general the wording and appearance of  
22 the book as title. It said, look, the book doesn't just take  
23 the two words "Twin Peaks," it precedes them with the words  
24 "Welcome to" which is how each episode of the television series  
25 was presented, introduced to the public on a street -- on kind

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1 of a wooden roadsign and the book's title put it against a  
2 wooden slab meant to evoke that sign.

3 THE COURT: Well, to put it differently, *Twin Peaks*  
4 was about Twin Peaks. It is the equivalent here if you were to  
5 directly analogize of Loisaidas film being about the Loisaidas  
6 snippets or commentary on the Loisaidas group.

7 MR. FERBER: Yes.

8 THE COURT: That would be, I think on all fours more  
9 directly.

10 MR. FERBER: If there were additional aggravating  
11 circumstances. In other words, that's just the first part of  
12 it, that *Twin Peaks* was about the show *Twin Peaks* but they were  
13 doing a little bit more to say we're not just about it, that  
14 these aggravated circumstances about the graphic presentation,  
15 to use a broader term for it, the Court found an aggravating  
16 circumstance and said, well, maybe because of that we have to  
17 consider the Polaroid factors.

18 I don't, off the top of my head, actually -- I can't  
19 think of a Second Circuit case that has reiterated any,  
20 post-*Iqbal*, the need to put it another way, that you can't  
21 dismiss on a Rule 12 motion a trademark claim pre-discovery  
22 because of *Polaroid* or because of *Twin Peaks*. *Iqbal* raised the  
23 bar, it is a different test. The standard for plausibility now  
24 becomes very important and it is not just plausibility. If you  
25 combine the threshold of plausibility from *Iqbal* with the

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1 particularly compelling threshold which jumps it up another  
2 notch, boy it becomes awfully hard where an expressive work is  
3 what's being attacked, for a plaintiff to meet the *Iqbal*  
4 standard.

5 Third, I think, given how many cases there have been  
6 in which there have been Rule 12 dismissals of Lanham Act  
7 claims and some not even where expressive works were concerned,  
8 I think that the law has advanced quite a bit in the last 22  
9 years. Expressive works clearly, the general trend seems to be  
10 they are getting more protection than they were getting a  
11 quarter of a century ago.

12 THE COURT: So, let me sort of rephrase that which is  
13 another way -- we focused an awful lot over time in this case  
14 on the First Amendment issues. Another way of focusing would  
15 be first and foremost on the *Twombly* issues and then,  
16 secondarily, on the First Amendment issues.

17 MR. FERBER: Yes, your Honor.

18 In short, it's our position that the first issue, as  
19 we basically put it in our briefs, is the *Iqbal*, *Twombly* test  
20 which is informed by, we respectfully submit, both the First  
21 Amendment concerns and the statutory fair use concerns.

22 THE COURT: And I am saying this because I want to  
23 make sure I understand your argument and also clue Mr. Bostany  
24 in to certain things that he may want to address which is, as I  
25 read *Iqbal*, it requires some amount of factual content to make

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a claim not only stated in terms of the boiler plate language but also plausible that one has some sense that it exists. But, separate and apart from that, because of the value to First Amendment expressive conduct, in order to get to *Twin Peaks* you have got to show that something is misleading which is *Twombly*, if you will, at least. How much further beyond *Twombly* one has to go one doesn't need to be decided here if one does not believe that *Twombly* has been met in the first instance.

MR. FERBER: Correct. Not only do have you to meet *Twombly* but if there is any question whether that plausibility standard has been met, then you have to test the allegations that may or may not be plausible against the higher threshold of that particularly compelling standard. That, I think, is what the sum total of it is.

THE COURT: Let me ask you how you think the Court can, legitimately -- the extent to which the Court can take the videos themselves into consideration on this motion? In other words, they are incorporated by reference, I agree. The question is to what extent -- how one articulates the utilization of those. In other words, when something is incorporated by reference, is it as if the video is embedded in the complaint itself?

MR. FERBER: Yes, your Honor.

THE COURT: And therefore one can describe what's on

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1 the video without running afoul of Rule 12? Or does that run  
2 us into Rule 56 issues?

3 Do you see what I'm saying?

4 MR. FERBER: Oh, absolutely. I think it is clear.

5 Look. Before videos existed, your Honor, I think  
6 there was case law that said, hey, if a complaint is based on a  
7 contract and they don't append the contract as an exhibit to  
8 the complaint, the defendant can introduce that contract on a  
9 12(b)(6) motion and that doesn't convert it from a 12(b)(6) to  
10 something else. If it were a letter that was alleged to  
11 perpetrate a fraud you can introduce the letter even if the  
12 plaintiff chase not to.

13 THE COURT: And quote from the letter.

14 MR. FERBER: And quote from the letter.

15 THE COURT: And describe the letter.

16 MR. FERBER: Yes. And I think the law even goes  
17 further then and certainly now which says if something like  
18 that -- in that case two documents and in this case a video --  
19 are so integral to the complaint, the plaintiff's  
20 characterizations or, we respectfully submit in this case gross  
21 mischaracterizations of the content of it, are trumped by what  
22 the Court sees itself on the screen. It doesn't matter how  
23 they describe it. What is not contested between us is this  
24 film exists. The content isn't in dispute because it speaks  
25 for itself. Now it is up to the Court to look at that content

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1 and decide how that affects the legal analysis.

2 THE COURT: To the extent that the Court is fitting  
3 its review of the content within the allegations in the  
4 complaint. In other words I wouldn't do -- the Court, you  
5 would agree, wouldn't do a Polaroid analysis on the video at  
6 this stage of the case?

7 MR. FERBER: That's a trickier question. I don't  
8 think the Court has to, by the way.

9 THE COURT: I think I would have to convert it to Rule  
10 56 and have you folks do a whole lot of additional briefing if  
11 one was going to get to Polaroid.

12 MR. FERBER: First of all --

13 THE COURT: In full --

14 MR. FERBER: One of the questions, when a Rule 12 case  
15 is dismissed under Rule 12 is just kind of glossed over -- or  
16 in some cases even more than glossed over -- the Polaroid  
17 issues are to what extent have these things even been alleged.

18 THE COURT: I think that goes back to the *Iqbal*  
19 *Twombly* situation.

20 MR. FERBER: Exactly, your Honor. It does.

21 But, at the bottom line, I think the cases stand for  
22 the proposition that still, the ultimate inquiry is whether it  
23 can be plausibly stated that an appreciable number of  
24 ordinarily prudent consumers would be confused, by -- in this  
25 case -- the film. That's the big question that supersedes it

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1 all. And, as I said, we have cited a number of cases in which  
2 the Court has, in some cases, not bothered with and some cases  
3 said they've noted the Polaroid issue but said it really isn't  
4 a bar to us here because we are focusing on this ultimate  
5 question, *LBF Travel, Louis Vuitton, Techmarine, Ahmed, deVere*.

6 So, I don't think I need to say -- we pretty much  
7 already subsumed the First Amendment part of this discussion  
8 which was really focusing on the prong to of the Rogers test  
9 which is misleading. I think there is no question that the  
10 first prong, artistic relevance between the title and the body  
11 of the work, is met. Certainly, for instance, if it was met in  
12 *Roxbury*, the Route 66 case, which was a porn film the title of  
13 which was "Route 66" which had virtually no connection to the  
14 interstate and the plaintiff owned a trademark on Route 66, if  
15 that passed the test a fortiori this does, the Courts have  
16 repeatedly stated it is basically more than zero because of the  
17 First Amendment interest concerned.

18 In terms of the second prong, the issue might even be  
19 easier than what we just discussed because the second amended  
20 complaint does not even identify or allege any explicitly  
21 misleading aspect of the title, any affirmative  
22 misrepresentation as the other -- as the number of cases call  
23 it. It is not there. They've had three shots and it is still  
24 not there. And as we have referenced on actual confusion or  
25 likelihood of confusion, it is threadbare and conclusory.

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1           I do think, in the context of this case, it's  
2 important to take note of a few things. Every -- both the film  
3 itself and as you will see in viewing it and every chapter of  
4 it --

5           THE COURT: I have watched -- I don't know if I have  
6 watched every minute of it but I have certainly watched a lot  
7 of it.

8           MR. FERBER: If you see the opening minute of each of  
9 the eight chapters, every one has the "Damon Dash Studio  
10 Presents" very, very prominently -- by the way, I think that  
11 chapters 2 through 8 -- and maybe chapter 1, but chapter 2  
12 through 8 don't have Loisaidas, they just have the chapter  
13 title. And, frankly, as many books might but they always  
14 emphasize, "Damon Dash Studio Presents." That's the source  
15 denoter. It is worth noting because there is obviously always  
16 a concern about what is the source identifier here?

17           The *Mattel v. MCA* case in the Ninth Circuit made an  
18 observation I think that is probably made elsewhere, in fact  
19 probably in the Seventh Circuit, which is that viewers and  
20 readers of films and television shows and books don't really  
21 expect to find out the source from the title. That's somewhere  
22 else. I think it is interesting in that connection, your  
23 Honor, that plaintiff's opposition really stayed away from,  
24 just conspicuously ignored the *Rin-Tin-Tin* case which, on this  
25 aspect, is very much on all four.

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1           The Rin-Tin-Tin plaintiff said it is their mark. They  
2 said the defendant uses it in their title. You are trying to  
3 get trademark use out of it but it is our trademark. And the  
4 Court said, no, Rin-Tin-Tin describes something about the  
5 content of the film, just like, we submit, Loisaidas here. The  
6 source is quite specifically stated by the two or three movie  
7 studios that are named as the source of the film just like  
8 Damon Dash is identified as the source here. I thought it was  
9 telling that plaintiff stayed away from that case.

10           THE COURT: And the portion of the *Mattel* case that  
11 you are thinking of is at pin 902, "A title is designed to  
12 catch the eye and promote the value of the underlying work."

13           MR. FERBER: I don't have the citation here. The  
14 language I was looking at was: "Consumers expect a title to  
15 communicate a message about the book or movie but they do not  
16 expect it to identify the publisher or producer."

17           THE COURT: Right, and that's the very next sentence.  
18 Terrific. I wanted to make sure I understood what you were  
19 referring to.

20           MR. FERBER: In this case not only do we have the  
21 whole First Amendment *Rogers* issue where the plaintiff would  
22 have to meet -- because it is an expressive work -- the  
23 particularly compelling standard, but the law also notes that  
24 by having used a, or in this case adopted a pre-existing and  
25 widely used geographic term from the urban vernacular,

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1 plaintiff kind of assumed the risk that there would be some  
2 confusion. So, when I said earlier, let me defer for the  
3 moment the fair use issue, that's where it comes in. Some  
4 confusion in this case -- and there is none alleged in the  
5 complaint except in that threadbare way -- would be, I think,  
6 not relevant anyway.

7 THE COURT: Well, then when you say fair I just want  
8 to be clear. The Court obviously could not do and typically  
9 could not do a fair use analysis at the motion to dismiss  
10 stage. It is a heavily fact-intensive analysis. What you are  
11 suggesting is, in effect, a heightened pleadings standard when  
12 something is a frequently used public term. Whether or not it  
13 has got a First Amendment protection there is also the sort of  
14 the you-have-to-know-it-is-going-to-be-used effect.

15 MR. FERBER: That's correct, your Honor.

16 THE COURT: All right. All right.

17 MR. FERBER: The plaintiff -- well, I think that that  
18 pretty much says it all. The plaintiff had said you really  
19 shouldn't even think about that issue here because our mark is  
20 arbitrary but it is really a question of you look at how the  
21 defendants use the mark, not how the plaintiffs do. I don't  
22 think that's germane here. The defendants use the mark in the  
23 sense it is used in urban vernacular, it refers to something in  
24 a descriptive sense about the content of the film. It is about  
25 an Uptown Harlem drug lords gang that relocates to the Latino

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1 Lower East Side and interacts in the neighborhood, with the  
2 inhabitants of the neighborhood; there is mob slaying, there is  
3 interaction with a crooked cop, etc. It says there is actual  
4 confusion but that's in the brief. As we have said, there is  
5 nothing really about it except the conclusory label, the  
6 checkoff in the second amended complaint.

7 THE COURT: Then let me hear from Mr. Bhushan. Do you  
8 have any additional argument that you would like to make?

9 MR. BHUSHAN: No, your Honor. We would join.

10 THE COURT: Let me hear from Mr. Bostany or Ms. Kim  
11 who was going to be arguing for the plaintiffs.

12 MR. FERBER: Thank you, your Honor.

13 MR. BOSTANY: Thank you, your Honor. I will be  
14 presenting the argument.

15 I appreciate the Court having us in and if you see me  
16 gasping for air, I'm perfectly fine. I have a mild, super mild  
17 case of asthma and when I open my mouth and take a gasp of air  
18 I'm not yawning and I'm not having any respiratory difficulty,  
19 I just have to do that once in a while.

20 THE COURT: All right. Well, if you need to use one  
21 of those little pump things, you let me know. I don't want you  
22 passing out on me Mr. Bostany.

23 MR. BOSTANY: I have never passed out. I went to a  
24 pulmonologist, he said you don't even need a pump thing you  
25 have such a mild case.

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1           THE COURT: All right.

2           MR. BOSTANY: All right.

3           So, I want to address first, your Honor, before I get  
4 into the First Amendment analysis, a couple of the concerns  
5 that the Court had that the Court was good enough to mention at  
6 the outset. So, I'm going to start with *Iqbal Twombly*.

7           I agree with Mr. Ferber to the extent he indicated  
8 that the analysis and the initial question that the Court must  
9 address here is whether there has been confusion by an  
10 ordinary -- a number of ordinary and prudent consumers. He  
11 didn't complete the sentence but I have completed the sentence  
12 in paragraphs 87 and 98 and 107 of the complaint, at least, and  
13 they say that if there is confusion, if there is likelihood of  
14 confusion among an appreciable number of ordinary, prudent  
15 consumers as to the source, origin, sponsorship, approval, or  
16 affiliation of the defendants' services and/or products with  
17 plaintiff's services and/or products, there would be liability  
18 under the Lanham Act.

19           THE COURT: So, tell me what the factual Rule 11 basis  
20 is for paragraphs 87 and 98 other than the fact of the  
21 trademark and the fact of the use of the name with the film,  
22 two points which are, I think, obviously conceded.

23           So, has anybody been confused?

24           MR. BOSTANY: Your Honor, I think that the Polaroid  
25 factors get injected at two levels here. Initially, when the

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1 Court starts to analyze the pleading, the Court must look at  
2 this and separate out the amendment, the First Amendment  
3 analysis initially and say, okay, listen. If this was not a  
4 First Amendment case, has the plaintiff pleaded confusion?  
5 Now, the defendants in their brief say the plaintiff has not  
6 pleaded adequately for the confusion because the plaintiff has  
7 not adequately alleged that the defendants are robbing the  
8 goodwill that was formed by the plaintiff.

9 THE COURT: But they're also arguing that you haven't  
10 alleged any actual confusion or any circumstantial evidence  
11 leading one to believe that there has even been a, even if you  
12 are not able to show it clearly, a likelihood of confusion  
13 between the mark and the film because the whole point of the  
14 Lanham Act is that you are confusing the public as to the  
15 sponsorship of a good. It is not the fortuity of owning a word  
16 or some rights to a word. It's whether or not sponsorship is  
17 at issue.

18 MR. BOSTANY: Well, I do think that the Polaroid  
19 factors do address a robbing of a word in order to circumvent  
20 the Lanham Act. I do think that it would be error to only  
21 analyze forward confusion and require that plaintiff, in  
22 addition, to prove actual confusion. In fact, the Second  
23 Circuit has said that plaintiffs, in trademark cases, almost  
24 never are able to prove actual confusion.

25 THE COURT: I agree and I have actually got, and I am

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1 sure you have looked at them, some cases including a relatively  
2 recent case on looking at both actual confusion as well as the  
3 possibility of confusion through circumstantial evidence. I  
4 just issued a bench decision not too long ago on an extensive  
5 discussion on the law in this regard. So, the question is are  
6 there any facts that suggest anybody might be confused by the  
7 Loisaidas group and the Damon Dash film?

8 MR. BOSTANY: Yes, your Honor, because if you look at  
9 the analysis that the Court is required to employ, we look at  
10 the factors. Is Loisaidas a strong mark? Is there similarity  
11 between the plaintiff's registered trademark Loisaidas and the  
12 use of the defendant's of Loisaidas? Is there proximity of the  
13 goods? Are the goods that are being trafficked by the  
14 defendants similar to the goods that are being trafficked by  
15 the plaintiff? The Court must look at these factors. The  
16 Court must look to see if there is a bridging of the gap.

17 THE COURT: I only get to those factors if I have some  
18 reason to believe that there is a single consumer in the world  
19 who is ever likely to be misled.

20 MR. BOSTANY: No, you're wrong.

21 THE COURT: Well, this is where you and I will  
22 disagree. I believe that *Twombly* requires that you have to  
23 give me some fact. Now, I have to tell you, I can imagine  
24 facts but I'm not here to make up things to put them into the  
25 complaint but could I imagine a series of facts one could add

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1       in? I know how to do it. I don't know if they would be at all  
2 applicable here. But, I can't just go on a conclusory  
3 allegation, the Supreme Court has foreclosed that to you. You  
4 don't get to Polaroid unless you can show me something that  
5 indicates that there is some person who is going to think  
6 potentially -- and it has to be, by the way, an appreciable  
7 number of consumers -- even potentially -- could be confused.

8                   MR. BOSTANY: Your Honor, we get to plead that there  
9 will be confusion as to source and sponsorship. We get to  
10 plead reverse confusion which we have done. We get to say that  
11 the defendants are stealing the mark; that people, when they  
12 look at this name of this group that the defendants are a  
13 super-powered entertainment mogul -- Kanye West is probably the  
14 most powerful entertainment mogul we know -- that when the  
15 public sees Kanye West's Loisaidas rap group are they going to  
16 think about my client's Puerto Rican --

17                  THE COURT: Tell me about somebody who is in a  
18 potential market area -- well, I'm not going to give you the  
19 facts that I could imagine but what do I have? What do I have  
20 to get me by *Iqbal Twombly* apart from your assertion that it  
21 must be so because the names are the same? That's the fortuity  
22 of ownership that I mentioned.

23                  MR. BOSTANY: That's not the only thing I said.

24                  I said the names are the same, the mark is a strong  
25 mark, the products are proximal.

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1                   THE COURT: These are the Polaroid factors.

2                   MR. BOSTANY: These are the Polaroid factors. How  
3 could you put the cart before the horse? How could a federal  
4 judge say I know when I am not going to get --

5                   THE COURT: Because the federal judge has to be bound  
6 by Supreme Court precedent and if *Iqbal Twombly* tells me that  
7 what I have to do is make sure that you're not just guessing  
8 because of the fortuity of ownership you have one musical group  
9 and then you have somebody else who is singing songs over on  
10 the other side, they both use the name Loisaidas, you have one  
11 who has a big pile of cash and a deep pocket, that fortuity  
12 doesn't get you in the title alone. It doesn't even get you to  
13 *Twin Peaks*.

14                  MR. BOSTANY: Your Honor, fortuity of same mark, same  
15 goods, proximal products, similarity of everything else that's  
16 in the Polaroid factors, I think that -- how does a plaintiff  
17 prove more without discovery?

18                  THE COURT: All right. So, here is the thing. Often  
19 what, and I am sure when you litigate trademark cases a lot you  
20 would know -- and I'm sure you do -- that there are often times  
21 when there will be somebody who has taken an action believing  
22 one thing is like the other, or people say, ooh, I was  
23 confused. That happens actually relatively frequently and it  
24 gets cited. Or, you will have a similar demographic and you  
25 will talk about a similar demographic. We have got the same

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1 audience, we know, we have done consumer studies blah, blah,  
2 blah. There are all kinds of ways of doing this. There are  
3 lots of Lanham Act cases that talk about what you have got to  
4 plead to plead the element of likelihood of confusion.

5 MR. BOSTANY: I'm pretty sure that we have pled  
6 similarity of products, similarity of consumers.

7 THE COURT: All right. You have certainly put in the  
8 words. I don't doubt that you have got the -- you have recited  
9 what would be the conclusory allegations of the claim. I don't  
10 think anybody is suggesting you have left out a conclusory  
11 allegation. The question is whether or not under the current  
12 law that's enough. I understand your point is you think you're  
13 well and truly there, that you're more than there and that it  
14 would be error, as you said, for me to dismiss the case without  
15 it.

16 MR. BOSTANY: What I will concede is this. I think  
17 that in order for either side to try to persuade Judge Forrest  
18 that they win here, discovery is needed. But I will concede  
19 that if I had said, if my clients had a Pepperidge farm loaf of  
20 bread called Loisaidas and it was sold in Food City or Whole  
21 Foods and I said, well, look. We own this Loisaidas brand of  
22 bread and the defendants are a deep pocket, they have a musical  
23 group called Loisaidas that they're publicizing a film for. We  
24 want to cash in on that. You have the jurisdiction, I  
25 respectfully submit -- I don't know if I'm right or wrong, this

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1 is my opinion -- you would then have the jurisdiction to say,  
2 look, I'm not even going to entertain this case. It is so far  
3 fetched that the purchasers of a loaf of bread are going to  
4 confuse the defendant's Kanye West music video that I'm  
5 dismissing the case.

6 THE COURT: They wouldn't have ownership of the mark  
7 in that particular product area so it would be dismissed even  
8 before that.

9 MR. BOSTANY: I can go through the Polaroid factors  
10 right now on this opinion and I could say that the plaintiffs,  
11 I don't care how good a lawyer John Bostany is, the plaintiffs  
12 cannot prove that this loaf of bread is going to be confused.  
13 But here it is a very close call. I almost, as you know at the  
14 initial conference, I asked you to let me move for summary  
15 judgment I was so convinced that you could decide this without  
16 the need for extensive discovery. I wanted to do a brief  
17 period of discovery.

18 THE COURT: I believe you believe. I believe you  
19 believe. And I believe that you think that Loisaidas attached  
20 to music is enough. And I am certain that it is not.

21 MR. BOSTANY: I think that --

22 THE COURT: As a result, if you don't have anything  
23 else on likelihood of confusion then I think we don't need to  
24 go any further.

25 MR. BOSTANY: I would like to mention that there is a

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1 case that the defendant cited repeatedly in their reply  
2 memorandum, *Radio Channel Networks*, and it talks about good  
3 faith and it says that where a defendant uses a mark in a  
4 descriptive manner, there is no forward confusion. It doesn't  
5 use the word forward confusion but it is talking about forward  
6 confusion. It precludes -- it cites cases that say, that  
7 involved forward confusion that say where the defendant is not  
8 seeking to benefit by the goodwill of a plaintiff there is no  
9 bad faith. And that's obviously a very important Polaroid  
10 factor and a very important factor that even if your Honor  
11 doesn't get to Polaroid, I believe, must be considered.

12 Judge Scheindlin looked at that in another case --

13 THE COURT: Well, I think that bad faith is something  
14 which, if it ever got there, let's put it this way, you have  
15 alleged specific facts that indicated that prior to release  
16 someone, on behalf of your client or your client himself,  
17 notified the defendants here of the Loisaidas trademark. So, I  
18 think that knowledge prior to release is something which is in  
19 the complaint. So, that point I'm not particularly concerned  
20 about.

21 MR. BOSTANY: Okay. Let me just give you the cite in  
22 case while you are considering it you get concerned over that  
23 argument that the defendants made. I brought it with me, it is  
24 *Something Old, Something New*, by Judge Scheindlin. The cite is  
25 99 WL 1125063. It says that while failure to conduct a

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1 trademark search is not per se bad faith, that the Court needs  
2 more and cannot decide this. I think this was a Rule 56  
3 motion -- she refused to decide this on Rule 56 because they  
4 said that the fact that the defendants did not conduct the  
5 trademark search or consult with counsel prior to using the  
6 terms requires that the motion be denied.

7 Here the defendants introduced a declaration  
8 indicating what only counsel have argued in this motion which  
9 is that the mark was used in a descriptive manner and those  
10 arguments you see only by way of counsel argument. Here, in  
11 the Judge Scheindlin case they did more, the defendants came in  
12 and they put in a declaration. The Court said that's still not  
13 enough on a motion for summary judgment. So, I wanted to bring  
14 that to the Court's attention.

15 I also wanted to bring to the Court's attention that  
16 the mark that the defendants used was Loisaidas, it was not  
17 Loisaida. Loisaida in the singular is the name -- is an urban  
18 vernacular name of a Lower East Side neighborhood. The only  
19 party that which there is evidence of which that have the mark  
20 Loisaidas in the plural is the plaintiff and the plaintiff  
21 registered that as a trademark.

22 So, I respectfully submit that while there are  
23 multiple names that the defendants could have chosen to name  
24 their film, they decided on the exact same name that the  
25 plaintiffs used.

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1           And I wanted to leave you with a well-cited oft-cited  
2 statement about that defendants use the same exact name as a  
3 registered trademark and it says that the numerous decisions  
4 have recognized that the Second Circuit --

5           THE COURT: I was going to ask you to slow down. Poor  
6 Pam has been with me all day long and you speak very quickly.  
7 So, let's be sure it get it so I will have you slow down. Tell  
8 me the name of the case?

9           MR. BOSTANY: *Mobil Oil v. Pegasus*, 818 F.2d 254.

10          In this Circuit and others, numerous decisions have  
11 recognized that the second-comer has a duty to so name and  
12 dress his product as to avoid all likelihood of consumers  
13 confusing it with the product of the first comer.

14          And I believe -- I don't want to use the word I  
15 believe -- I respectfully submit, Judge, that the defendants  
16 here do not have a right to trigger the compelling standard  
17 that's available under both *Twin Peaks* and earlier cases,  
18 *Grimaldi*.

19          The defendants chose *Loisaidas*. They knew or had  
20 constructive notice that it was the plaintiff's trademark.  
21 They cannot name the subject matter of the film by the same  
22 exact name as our trademark and then come to you and say, well,  
23 your Honor, we get this heightened standard because the title  
24 of our film is "Loisaidas." The cases they cite, like *Route 66*  
25 and *Dillinger* and all those other cases are cases where the

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1 defendants used, as part of their subject matter, an existing  
2 name. Route 66 existed already. They didn't invent Route 66.  
3 Dillinger existed already.

4 THE COURT: So your argument there is that Loisaidas,  
5 with an S, did not exist before the trademarking?

6 MR. BOSTANY: Correct. My argument there is that  
7 there is no proof on this motion that Loisaidas was chosen by  
8 the defendants because it is an artistic or an existing group  
9 that the defendants had to talk about in an artistic fashion.  
10 Here the defendants came up with Loisaidas. There is no  
11 argument in their papers that they had to pick Loisaidas  
12 because they were talking about a -- something in society as we  
13 know it and there is artistic relevance to it. All of the  
14 cases that they've cited involve a situation where a defendant  
15 is talking about something in society as we know it, they're  
16 talking about the multiple things. You can read the cases but  
17 none of them involve a situation where the defendants did what  
18 the defendants did in this case which is they said, You know  
19 what? We are going to pick Loisaidas. That's going to be our  
20 artistic subject matter. We are going to first infringe,  
21 that's the first act, we are going to commit trademark  
22 infringement and form a group -- a gang, a group, it doesn't  
23 matter -- it is subjectively agreed to that they formed  
24 something called Loisaidas. So, they initially went out and  
25 said you know what? We are going to infringe. And then they

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1 start publicizing music videos and putting at the top of them  
2 "Loisaidas."

3 In Exhibit A to Charen Kim's declaration there is a  
4 representation of one of the pictures. You can't even  
5 basically read where it says anything about Damon Dash Films  
6 unless you squint. And the fact is that none of the cases  
7 support such a notion where a defendant can go out, infringe,  
8 and then get away with it because they call their movie or  
9 music video -- it doesn't even matter at that point -- by the  
10 same name, "Loisaidas." It is they don't get artistic  
11 relevance.

12 I respectfully submit that this motion can be denied  
13 without even getting to the second analysis of the Polaroid  
14 factors. The plaintiff, I believe -- I don't want to say I  
15 believe -- the plaintiff, I respectfully submit, pled this the  
16 Court will decide, obviously, and the Court will also decide  
17 whether or not there is artistic relevance. If the Court  
18 decides there is artistic relevance, obviously under *Twin Peaks*  
19 you get back into the Polaroid factors in a much more detailed  
20 way and that is something that I beseech the Court in my papers  
21 to have discovery and have the Polaroid factors reviewed by way  
22 of a Rule 56 motion or trial which is the result, I believe,  
23 the *Twin Peaks* Court advised was the correct way to handle the  
24 situation where the district judge feels there is artistic  
25 relevance.

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1           THE COURT: Thank you.

2           MR. BOSTANY: Thank you, Judge.

3           THE COURT: Is there anything further, Mr. Ferber,  
4 from the defendants whose motion it is or are we all set?

5           MR. FERBER: One sentence, your Honor?

6           THE COURT: All right.

7           MR. FERBER: Just focusing on what's in the pleading  
8 because the issue was just raised? An exhibit to the second  
9 amended complaint, plaintiff's own promotional material says,  
10 at the beginning: Loisaidas is the Spanish slang term for  
11 Lower East Siders. So, both with and without the SDN it has an  
12 independent meaning.

13           Thank you.

14           THE COURT: Thank you.

15           I'm going to go back and reread the cases and make  
16 sure that I understand people's arguments in light of the cases  
17 and then I will issue a ruling.

18           Given the holidays, don't expect it before the  
19 holidays but it should be soon. I know that this case has been  
20 stayed since some of the motions were made quite some time ago  
21 so we will get this thing onto its next step, whether that's  
22 discovery or an appeal as you folks will figure out what to do  
23 if I dismiss and, if not, I will set a conference date.

24           Thanks, folks. We are adjourned.

25                                 oo